

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

FY 2020/2021

BUDGET AND BUDGET OVERVIEW



**Hollywood
Burbank
Airport**

ADOPTED: JUNE 1, 2020

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2020/2021 ("FY 2021") BUDGET
SUMMARY

SOURCES OF FUNDS: SUMMARY

	Adopted Budget FY 2021	Adopted Budget FY 2020	\$ Change	% Change
Rentals	\$ 15,290,000	\$ 15,290,000	\$ -	0.00%
Parking	7,510,000	20,940,000	(13,430,000)	-64.14%
Concessions	5,845,000	10,550,000	(4,705,000)	-44.60%
Landing Fees	1,658,000	4,175,000	(2,517,000)	-60.29%
Investment Income	3,250,000	4,250,000	(1,000,000)	-23.53%
Ground Transportation	1,030,000	4,100,000	(3,070,000)	-74.88%
Other Revenues	575,000	945,000	(370,000)	-39.15%
Total Operating Revenues	35,158,000	60,250,000	(25,092,000)	-41.65%
PFC Revenues / Reserves	463,953	6,571,616	(6,107,663)	-92.94%
Airport Improvement Program Grants	3,360,602	5,728,269	(2,367,667)	-41.33%
CFC Fees: 2012 Bond Issue	2,000,000	5,725,000	(3,725,000)	-65.07%
Facility Rent - RAC	1,030,962	387,008	643,954	166.39%
Total Nonoperating Revenues	6,855,517	18,411,893	(11,556,376)	-62.77%
Total Operating & Nonoperating Revenues	42,013,517	78,661,893	(36,648,376)	-46.59%
CARES Act Grant Funds				
Facility Improvements (AIP Local Match)	635,445	-	635,445	N/A
Bond P & I (2012 Issue)	2,803,092	-	2,803,092	N/A
Bond P & I (2015 Issue)	4,564,250	-	4,564,250	N/A
Personnel Costs	8,097,213	-	8,097,213	N/A
Total CARES Act Grant Funds	16,100,000	-	16,100,000	
Facility Development Reserves	-	-	-	N/A
Total	\$ 58,113,517	\$ 78,661,893	\$ (20,548,376)	-26.12%

USES OF FUNDS: SUMMARY

	Adopted Budget FY 2021	Adopted Budget FY 2020	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,834,054	\$ 5,837,008	\$ (2,954)	-0.05%
Bond P & I (2015 Issue)	4,564,250	4,568,250	(4,000)	-0.09%
Subtotal Debt Service	10,398,304	10,405,258	(6,954)	-0.07%
Operations and Maintenance	42,340,563	48,924,625	(6,584,062)	-13.46%
Total Operating Expenses	52,738,867	59,329,883	(6,591,016)	-11.11%
Facility Improvement Program				
Noise Mitigation	125,000	500,000	(375,000)	-75.00%
Other Improvements	3,485,000	12,640,000	(9,155,000)	-72.43%
Development	960,000	2,985,000	(2,025,000)	-67.84%
Total Facility Improvement Program	4,570,000	16,125,000	(11,555,000)	-71.66%
Parking Tax	804,650	2,243,575	(1,438,925)	-64.14%
Total Operating & Nonoperating Expenses	58,113,517	77,698,458	(19,584,941)	-25.21%
Reserve Reimbursements				
Additional O & M Reserve	-	688,435	(688,435)	-100.00%
Facility Dev. Fund Reimbursement	-	275,000	(275,000)	-100.00%
Total Reserve Reimbursements	-	963,435	(963,435)	-100.00%
Total	\$ 58,113,517	\$ 78,661,893	\$ (20,548,376)	-26.12%

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2020/2021 ("FY 2021") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2021	ADOPTED BUDGET FY 2020	\$ AMOUNT CHANGE	% CHANGE
8000	Regular Wages	\$ 3,250,000	\$ 3,118,300	\$ 131,700	4.22%
8012	Overtime Wages	335,000	335,000	-	0.00%
8100	Sick Leave	262,500	259,720	2,780	1.07%
8102	Vacation	275,200	265,700	9,500	3.58%
8103	Payroll Taxes	357,000	327,570	29,430	8.98%
8104	Workers' Compensation Insurance	525,000	515,000	10,000	1.94%
8105	Group Insurance	431,100	408,500	22,600	5.53%
8107	Retiree Medical Trust	50,400	50,400	-	0.00%
8109	Holiday	227,600	212,955	14,645	6.88%
8110	Employee Retirement Plan	407,500	274,105	133,395	48.67%
8111	Employee Medical Opt Out	39,600	39,600	-	0.00%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	177,600	74,500	103,100	138.39%
8125	Training Pay	12,600	12,600	-	0.00%
8200	Office Supplies	65,000	65,000	-	0.00%
8202	Periodicals, Maps and Pamphlets	4,250	3,000	1,250	41.67%
8204	Printing and Binding	12,100	11,000	1,100	10.00%
8206	Special Office / Other Supplies	80,000	85,000	(5,000)	-5.88%
8208	Postage	14,000	14,000	-	0.00%
8210	Office / Noise Equipment Service	191,150	186,700	4,450	2.38%
8212	Copy Machine Lease	26,600	25,000	1,600	6.40%
8214	Office Equipment Rent	700	700	-	0.00%
8216	Photographic Expense	2,500	3,000	(500)	-16.67%
8252	Recruitment Expense	20,000	35,000	(15,000)	-42.86%
8254	Membership Dues	161,000	178,625	(17,625)	-9.87%
8256	Uniform Expense	120,000	185,100	(65,100)	-35.17%
8258	Commission Meeting	175,000	175,000	-	0.00%
8260	Conference Meeting	35,000	134,800	(99,800)	-74.04%
8261	Training Expense	280,000	377,795	(97,795)	-25.89%
8302	Fuel, Oil and Lubricants	150,000	385,000	(235,000)	-61.04%
8303	Low Value Communications Equipment	2,350	8,700	(6,350)	-72.99%
8304	Low Value Machinery / Equipment	10,000	32,250	(22,250)	-68.99%
8305	Low Value Furniture / Fixtures	21,000	49,180	(28,180)	-57.30%
8306	Vehicle Repair / Maintenance Supplies	60,000	70,900	(10,900)	-15.37%
8308	General Repair / Maintenance	150,000	178,950	(28,950)	-16.18%
8316	Shop Supplies	60,000	86,100	(26,100)	-30.31%
8318	Electrical Supplies	150,000	93,550	56,450	60.34%
8320	Plumbing, Heating and Air Conditioning	100,000	85,000	15,000	17.65%
8322	Building / Construction Supplies	75,000	86,250	(11,250)	-13.04%
8324	Telephone Expense	360,000	339,400	20,600	6.07%
8326	Communications Maintenance	48,700	53,200	(4,500)	-8.46%
8332	Industrial Chemical Supplies	14,500	12,500	2,000	16.00%

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2020/2021 ("FY 2021") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2021	ADOPTED BUDGET FY 2020	\$ AMOUNT CHANGE	% CHANGE
8334	Operating / Maintenance Equipment Lease	\$ 56,000	\$ 54,300	\$ 1,700	3.13%
8335	Other Leases / Rentals	-	36,000	(36,000)	-100.00%
8336	Utility – Gas	40,000	40,000	-	0.00%
8338	Utility – Electric	1,486,538	1,610,000	(123,462)	-7.67%
8340	Utility – Water	400,000	460,000	(60,000)	-13.04%
8341	Sign Repair and Maintenance	110,000	114,500	(4,500)	-3.93%
8342	Landscaping Expense	205,500	205,500	-	0.00%
8344	Paint Expense	110,000	115,100	(5,100)	-4.43%
8604	ARFF Services	3,532,000	3,432,325	99,675	2.90%
8606	Tenant Janitorial Services	677,000	658,000	19,000	2.89%
8607	Janitorial Services	959,000	932,000	27,000	2.90%
8608	Refuse Collection	185,000	260,000	(75,000)	-28.85%
8610	Contractual Building Repair	110,000	158,000	(48,000)	-30.38%
8612	Contractual Systems Repair	1,042,675	1,314,700	(272,025)	-20.69%
8620	Contractual Vehicle Maintenance	385,400	385,400	-	0.00%
8622	Other Contracted O & M Costs	949,900	1,088,900	(139,000)	-12.77%
8625	Contractual Parking Ops. (Self-Park / Valet)	2,598,750	4,950,000	(2,351,250)	-47.50%
8626	Contractual Transportation Services	650,000	2,452,000	(1,802,000)	-73.49%
8702	Noise Consultants	87,000	87,000	-	0.00%
8704	Legal Services	650,000	650,000	-	0.00%
8706	Audit Services	140,000	115,000	25,000	21.74%
8708	Professional Management Services	14,712,000	14,523,300	188,700	1.30%
8709	Engineering Services	85,000	100,000	(15,000)	-15.00%
8710	Financial Services	555,000	900,000	(345,000)	-38.33%
8711	Other Professional Services	1,425,300	2,002,800	(577,500)	-28.83%
8715	Environmental Services	300,000	65,000	235,000	361.54%
8804	Bad Debt Expense	4,000	4,000	-	0.00%
8816	Insurance	1,556,000	1,450,000	106,000	7.31%
8818	Public Relations / Advertising	73,500	130,000	(56,500)	-43.46%
8819	Air Service Retention and Development	80,000	950,000	(870,000)	-91.58%
8822	Licenses, Permits and Fees	272,650	265,000	7,650	2.89%
8825	Uninsured Loss	10,000	10,000	-	0.00%

TOTAL O & M EXPENDITURES	\$ 42,189,063	\$ 48,374,375	\$ (6,185,312)	-12.79%
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O & M EQUIPMENT AND PROJECTS

9010	Vehicles / Equipment	\$ -	\$ 212,750	\$ (212,750)	-100.00%
9022	Other Machinery / Equipment	26,500	252,500	(226,000)	-89.50%
9026	Office Equipment / Systems	125,000	85,000	40,000	47.06%

TOTAL O & M EQUIPMENT / PROJECTS	\$ 151,500	\$ 550,250	\$ (398,750)	-72.47%
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TOTAL OPERATIONS AND MAINTENANCE	\$ 42,340,563	\$ 48,924,625	\$ (6,584,062)	-13.46%
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**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2020/2021 ("FY 2021") BUDGET
FACILITY IMPROVEMENT (CAPITAL) PROGRAM**

PROJECT DESCRIPTION	Cost	Funded By PFC	Funded By AIP Grant	Funded By CARES Grant	Airport Share
BUILDING IMPROVEMENTS					
1) Minor Building Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
TOTAL BUILDING IMPROVEMENTS	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
EQUIPMENT					
2) ARFF Truck Replacement	\$ 875,000	\$ -	\$ 685,015	\$ 189,985	\$ -
3) Airfield Maintenance Equipment	265,000	265,000	-	-	-
TOTAL EQUIPMENT	\$ 1,140,000	\$ 265,000	\$ 685,015	\$ 189,985	\$ -
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
4) Twy D7 Connector, G Infield & Delta Ramp Rehab.	\$ 2,295,000	\$ -	\$ 1,849,540	\$ 445,460	\$ -
TOTAL RUNWAY / TAXIWAY / ROADWAY	\$ 2,295,000	\$ -	\$ 1,849,540	\$ 445,460	\$ -
NOISE MITIGATION					
5) Residential Acoustical Treatment Program (<i>multi-year</i>)	\$ 125,000	\$ 24,263	\$ 100,737	\$ -	\$ -
TOTAL NOISE MITIGATION	\$ 125,000	\$ 24,263	\$ 100,737	\$ -	\$ -
DEVELOPMENT					
6) Replacement Passenger Terminal Project (<i>multi-year</i>)	\$ 960,000	\$ 174,690	\$ 725,310	\$ -	\$ 60,000
TOTAL DEVELOPMENT	\$ 960,000	\$ 174,690	\$ 725,310	\$ -	\$ 60,000
TOTAL FACILITY IMPROVEMENT PROGRAM	\$ 4,570,000	\$ 463,953	\$ 3,360,602	\$ 635,445	\$ 110,000

Notes:

- 1) Airport funded appropriations in the amount of \$50,000 have been included to address small projects that may arise during the fiscal year.
- 2) ARFF Truck Replacement programmed with funding from a yet to be awarded AIP Grant in the approximate amount of \$685,015 with the balance from CARES Act Grant funds (\$189,985). Acquisition will not take place until all grant funding awarded and in place.
- 3) Airfield Maintenance Equipment (Runway Sweeper and Ramp Scrubber) to be funded through an already approved Passenger Facility Charge application.
- 4) This Pavement Rehabilitation project is programmed to be funded with a yet to be awarded AIP Grant in the approximate amount of \$1,849,540 with the balance from CARES Act Grant funds (\$445,460). The project will not commence until all grant funding awarded and in place.
- 5) Appropriations included to commence RATP project for remaining eligible units subject to the award of AIP Grant funding. This project will not commence until grant funding awarded and in place.
- 6) Appropriations in the amount of \$900,000 included to complete the Environmental Impact Statement (EIS) for the Replacement Passenger Terminal. These costs are funded through an already awarded AIP Grant and approved PFC application. While all other components of the project are on hold, an additional amount of \$60,000 has been included to allow for limited continued consulting support services.

Budget Overview: Fiscal Year 2020/2021 (“FY 2021”)



INTRODUCTION:

For the first eight months of the current fiscal year (July – February) the Hollywood Burbank Airport (Airport) was operating with the continued momentum of multi-year passenger growth, the addition by the airlines of new flight frequencies and destinations, favorable national economic conditions and strong Airport financial performance. FYTD February 2020 passenger activity reflected an 18.6% increase as compared to the same period in the prior fiscal year. Efforts continued with the development of a Replacement Passenger Terminal including completion of the public charrette process, the selection of a Program Manager, the continuation of the EIS and evaluation of various funding mechanisms.

However, in mid-March, the Airport experienced the immediate, unprecedented negative impact the COVID-19 pandemic had on the entire aviation industry and national economy.

In April, in response to the rapid, severe decline (97.1%) in passenger activity and the corresponding loss of revenues, the Airport Commission approved a series of initiatives directed at providing temporary airline and tenant economic relief, cost reduction measures and the suspension of non-essential discretionary projects/expenditures.

The aviation industry has historically been resilient and is expected to rebound to a “new normal” but when remains uncertain. The general consensus is that it will be a gradual, slow recovery dependent on many variables, some of which the industry has no control over.

Due to such unknown timelines for recovery, the FY 2021 budget was developed utilizing a phased or separate set of activity assumptions for each quarter. As the fiscal year progresses, actual performance results will be compared to these individual quarterly projections. This approach provides the ability to more clearly identify variances from projected recovery scenarios and through close monitoring, provide recommendations for financial program modifications and implement responses if necessary.

The FY 2021 budget incorporates the use of CARES Act Grant funds to assist in ensuring all debt service requirements are fully funded with the balance of the grant funds programmed to be utilized towards personnel costs and local match for two AIP Grants for capital projects.

Primarily due to expense reductions and the utilization of CARES Act Grant funds, Airport reserve funds are not required to balance the adopted budget. In addition, the budget maintains a stable level of rates and charges to the airlines for the fiscal year. However, as the fiscal year progresses, these assumptions may require re-evaluation.

BUDGET OVERVIEW:

- **Highlights and Noteworthy Items:**

- Under the CARES Act, the Airport has been allocated \$21,081,611 in grant funds to support the Airport operation due to the impacts of the COVID-19 pandemic. Of this amount, \$4,981,611 has been designated to address the potential impacts to the FY 2020 budget. The remaining \$16,100,000 has been programmed into the FY 2021 budget to be used to support debt service, personnel costs and local match for two AIP Grants for capital projects.
- Primarily due to expense reductions and the utilization of CARES Act Grant funds, Airport reserve funds are not required to balance the budget.
- The FY 2021 adopted budget is presented as a balanced budget with no change to the existing signatory airline rental rates or landing fees. The signatory landing fee rate will remain at \$0.97 per 1,000 pounds landed weight and the non-signatory landing fee rate is programmed to remain at \$1.56 per 1,000 pounds landed weight. As stated in the introduction, airline rates and charges may be re-evaluated as the fiscal year progresses.
- The budget was based upon the following quarterly activity assumptions:
 - July – September: a reduction of 85%
 - October – December: a reduction of 75%
 - January – March: a reduction of 65%
 - April – June: a reduction of 50%

The above quarterly activity assumptions represent an annual average decrease of 69% from previous activity levels.

- The O & M expenses are focused on safety, security and Part 139 operations. Cost reduction measures previously approved by the Commission in the last quarter of FY 2020 are incorporated into the adopted FY 2021 budget.
- The FY 2021 Capital program reduced to essential projects.
- The suspension of all discretionary projects is reflected in this adopted budget.
- This adopted budget has been designed to be a flexible framework to address actual recovery performance throughout the year such as the reopening of Terminal B and public parking lots. If actual recovery performance is strong enough, additional program elements may be evaluated and presented for consideration into the FY 2021 budget program.

FY 2021 BUDGET: OVERVIEW BY CATEGORY

I. FY 2021 OPERATING REVENUES

FY 2021 operating revenues are programmed to total \$35,158,000, a decrease from the FY 2020 budget levels of \$25,092,000 (42%).

The major assumptions for the development of these revenues are based on a phased or separate set of passenger activity forecasts for each quarter as follows:

- July – September: a reduction of 85%
- October – December: a reduction of 75%
- January – March: a reduction of 65%
- April – June: a reduction of 50%

The above quarterly activity assumptions represent an annual average decrease of 69% from previous activity levels.

Below is a summary and highlights of projected operating revenues:

FY 2021 Operating Revenues: Summary

Rentals	\$ 15,290,000
Parking	7,510,000
Concessions	5,845,000
Landing Fees	1,658,000
Investment Income	3,250,000
Ground Transportation	1,030,000
Other Revenues	575,000
Total Operating Revenues	\$ 35,158,000

Rentals: \$15,290,000

Rental revenues have been programmed flat to the FY 2020 budget based upon the assumptions listed below.

At this time only one hangar is completely vacant and active negotiations for a potential tenant is underway. No rental revenues are included in this budget for this vacant hangar.

In summary, this line item is primarily programmed as follows:

- Based on current contracts and leases.
- Assumes all lease revenues will remain in place through the entire fiscal year.
- Assumes no FY 2021 CPI increases.

I. **FY 2021 OPERATING REVENUES – continued**

Parking: \$7,510,000

Revenues have been forecasted at \$7,510,000 which are \$13,430,000 (64%) less than the FY 2020 budget. The FY 2021 projection is based on utilizing the phased quarterly set of recovery assumptions as outlined above for activity- based revenue line items.

In response to the dramatic reduction in passenger activity commencing in March 2020, certain parking lots, including the valet lot have been temporarily closed.

As the fiscal year progresses, the need and configuration of parking lots will be evaluated based upon passenger activity levels.

The total forecasted amount of \$7,510,000 is subject to the City of Burbank's 12% Parking Tax requirement. An amount of \$804,650 has been budgeted to be remitted to the City during FY 2021.

Concessions: \$5,845,000

This category includes revenues from rental car agencies, food / beverage, gift / news, advertising and other ancillary concessionaires. The FY 2021 budget is programmed at \$4,705,000 (45%) less than last year. This decrease is impacted by the reduction in passenger activity and was based on utilizing the quarterly recovery scenario assumptions as outlined above.

Landing Fees: \$1,658,000

The budget decrease of \$2,517,000 (60%) below the prior year level reflects the impact of the COVID-19 pandemic and the associated reduction in flight activity by the airlines. Working with the airlines, the estimates are based upon the latest available schedule information and recovery assumptions.



I. **FY 2021 OPERATING REVENUES – continued**

Investment Income: \$3,250,000

Investment income has been forecasted at \$1,000,000 (24%) less than FY 2020 budget levels primarily due to a reduction in available yields on reinvestment of portfolio funds. This category continues to benefit from the larger overall investment portfolio balance. All reinvestments must follow the Authority's Investment Policy guidelines which are based on capital preservation and conservative investments.

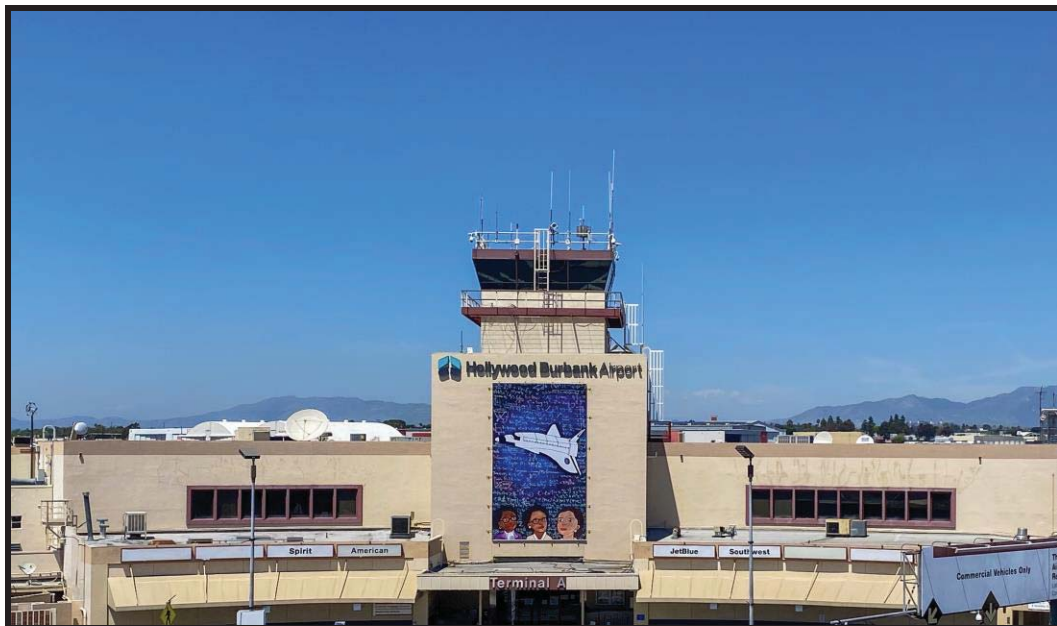
Ground Transportation: \$1,030,000

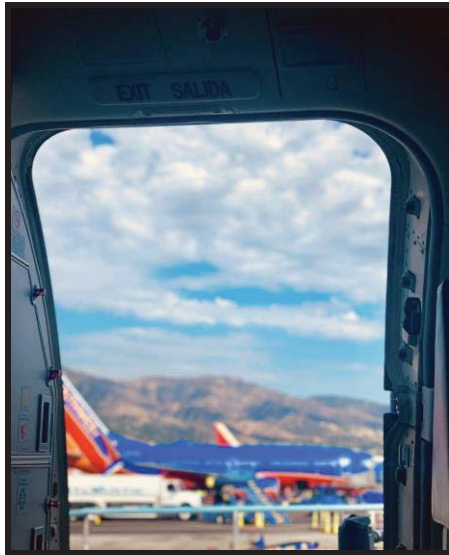
Ground Transportation reflects the TNC, also known as "rideshare", passenger drop-off and pick-up fees. Also, included in this category are taxi, shuttle and off-airport parking fees. The largest component of this revenue category results from the TNC fees, which fee level was increased effective May 1, 2019 from \$3.00 to \$3.50 for each drop-off and each pick-up.

Due to the reduction in passenger activity and anticipated continued decline in demand for these types of services, this line item has been programmed at \$3,070,000 (75%) less than FY 2020 budget levels.

Other Revenues: \$575,000

This category is programmed at \$370,000 (39%) less than last year as the fuel uplift fees and film location receipts are anticipated to decline.





II. **FY 2021 OPERATIONS AND MAINTENANCE (O & M) EXPENSES**

The Operations and Maintenance (O & M) Budget totals \$42,340,563, a decrease of \$6,584,062 (13.46%) from the FY 2020 approved O & M Budget. Appropriations included for FY 2021 are focused on prioritizing safety, security, compliance and Part 139 operational requirements. Cost reduction measures previously approved by the Commission in the last quarter of FY 2020 continue into the adopted FY 2021 budget.

Noteworthy line items in the O & M budget are as follows:

➤ **Wages and Benefits: Accounts #8000 - #8125**

These appropriations, amounting to approximately \$6.4 million, provide for the salaries and benefits associated with the Airport's police / public safety personnel. The budget was developed in accordance with the terms of the replacement 3-year Memorandum of Understanding ("MOU") which went into effect February 1, 2020.

The Workers' Compensation insurance (Account #8104) is based on the renewal premium estimate received from the Authority's broker (policy renewal date is August 2020).

The police department appropriations cover 34 full-time equivalent positions. No personnel additions are proposed.

➤ **Aircraft Rescue and Firefighting ("ARFF") Services: Account #8604**

This account provides for the costs associated with the contracted TBI ARFF personnel. This line item reflects the direct personnel wages and benefits and reimbursement for actual out-of-pocket expenses including related insurance costs and management fee.

The Collective Bargaining Agreement ("CBA") covering this department will expire on June 30, 2020 and negotiations are currently underway. Appropriations have been included in this line item for a replacement CBA. The staffing level remains the same at 20 full-time positions.

II. **FY 2021 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

➤ **Conference and Training: Account #8260, #8261**

These line items have been reduced to reflect attendance to essential training and meetings only.

➤ **Fuel: Account #8302**

Parking shuttle services have been suspended until a need arises. The fuel budget reflects the estimate for the Authority's operating vehicle fleet with an allowance for potential on-call parking shuttle services.

➤ **Electrical Supplies: Account #8318**

The increase in this line item provides for the acquisition of components for the runway lighting system and continued conversion to LED.

➤ **Other Leases / Rentals: Account #8335**

Acquisition of the Hollyona property in March 2020 results in this line item being reduced to zero. With this acquisition, the lease with the City of Burbank has been terminated.

➤ **Utilities (Gas, Electric, Water): Accounts #8336, #8338, #8340**

These line items include estimated reductions in usage due to the decrease in passenger activity levels and the temporary closure of Terminal B.

➤ **Janitorial Services: Accounts #8606, #8607**

While meeting the increased level of cleaning and sanitizing requirements, this line item reflects the costs of the replacement services agreement including temporary personnel reductions.

➤ **Refuse Services: Account #8608**

This line item reflects the new service provider contract with a reduction in frequencies to match passenger activity levels.

➤ **Contracted Systems Repair: Account #8612**

The reduction in this account reflects deferral of discretionary projects subject to continuing evaluation based upon future passenger activity levels.

➤ **Contracted Parking Services (Self-Park and Valet): Account #8625**

This line item represents costs associated with the contracted services agreement with SP Plus ("SP+") for parking operations for the Authority's self-park and valet parking lots.

This line item reflects a reduction in these parking operator services subject to continuing evaluation based upon future passenger activity levels.

II. FY 2021 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued

➤ **Contracted Transportation Services: Account #8626**

This line item represents costs associated with the contracted services agreement with MV Transportation to provide turn-key parking shuttle bus fleet services which became effective mid FY 2016.

Currently, parking shuttle service has been suspended. The FY 2021 budget for this line item includes appropriations for the remainder of the passenger shuttle service contract (through October 2020) with an allowance thereafter for on-call services based upon the continuing evaluation of passenger activity levels.

➤ **Professional Management Services (TBI Contract): Account #8708**

This line item represents the estimated FY 2021 costs associated with the Restated and Amended TBI Airport Management, Inc. contract (not including ARFF services which are programmed separately in Account #8604).

The estimated FY 2021 costs associated with this contract include the cost of the Collective Bargaining Agreement (“CBA”) for Operations and Maintenance personnel, the continuation of a hiring freeze, the elimination of a merit increase for non-represented personnel and elimination of a retention allowance.

Below are components of this \$14,712,000 account:

Components of FY 2021			
Account #8708: Professional Management Services (TBI)			
	Salaried	Hourly	Total
Wages	\$ 6,077,541	\$ 4,201,013	\$ 10,278,554
Healthcare	807,768	813,132	1,620,900
Retirement	332,689	311,551	644,240
Other Fringe	700,277	584,366	1,284,643
Subtotal	\$ 7,918,275	\$ 5,910,062	\$ 13,828,337
Merit Allowance	-	-	-
Maint. / Ops. CBA	-	90,990	90,990
Subtotal	\$ 7,918,275	\$ 6,001,052	\$ 13,919,327
Less labor charged to capital projects			(84,400)
Supplemental Allowance			-
Management Fee			877,073
Total Account #8708			\$ 14,712,000
# of funded positions	54	60	114

II. **FY 2021 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

➤ **Other Professional Services: Account #8711**

This line item reflects a reduction in contracted traffic control services and also a deferral of discretionary projects subject to continuing evaluation based upon future passenger activity levels. Continues to include appropriations to maintain State legislative advocacy support.

➤ **Environmental Services: Account #8715**

The increase in this line reflects the estimated cost to complete the additional per- and polyfluoroalkyl substances (“PFAS”) investigation at the Airport required by the Regional Water Quality Control Board.

➤ **Insurance: Account #8816**

The Authority’s insurance policies renew on July 1, 2020; therefore, this line item reflects the anticipated policy premiums the Authority’s insurance broker has estimated for FY 2021.

➤ **Air Service Retention / Development: Account #8819**

This account provides appropriations for the continued efforts to attract new air service and further develop the branding / geographic identity of the Airport. The FY 2021 appropriations for these efforts have been significantly reduced pending evaluation of economic conditions, airline industry recovery and determination of the need and timing for resumption of marketing efforts.



III. FY 2021 FACILITY IMPROVEMENT (CAPITAL) BUDGET

The total FY 2021 Facility Improvement (Capital) Budget of \$4,570,000 is limited to essential projects.

The program consists of six projects and improvements as follows:

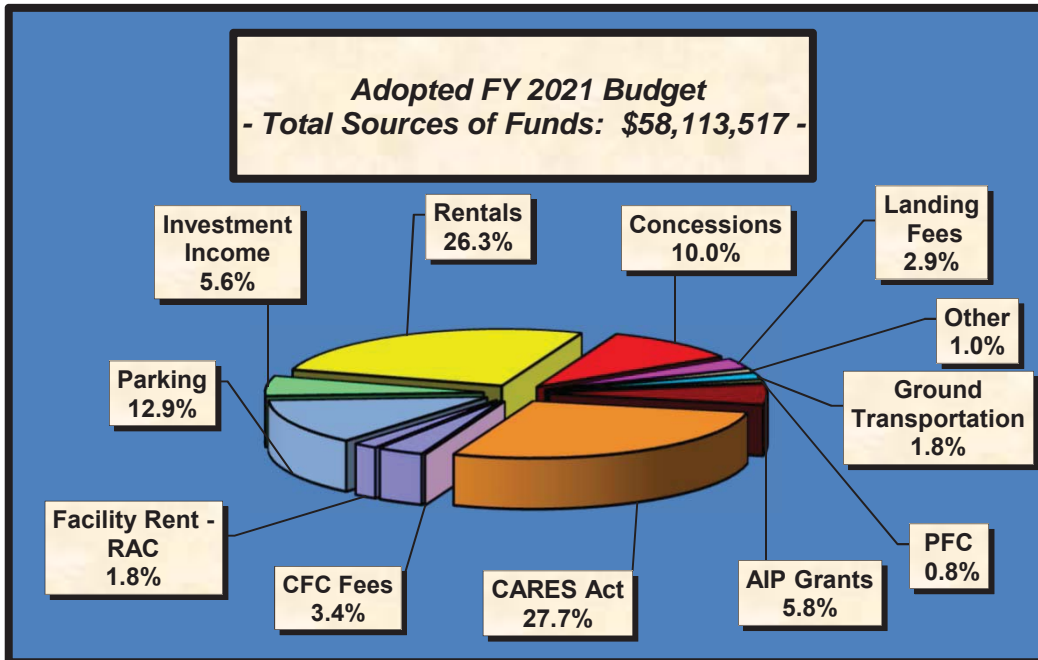
1) Minor Building Improvements:	\$ 50,000
2) ARFF Truck Replacement:	875,000
3) Airfield Maintenance Equipment:	265,000
4) Twy D7 Connector, G Infield & Delta Ramp Rehab.	2,295,000
5) Residential Acoustical Treatment Program	125,000
6) Replacement Passenger Terminal Project	960,000
Total Adopted FY 2021 Capital Program Budget:	<u>\$ 4,570,000</u>

Of the total \$4,570,000 in program costs, 98% is funded through alternate funding sources such as Airport Improvement Program (AIP) Grants with the local match supported with CARES Act Grant funds, and already approved use of Passenger Facility Charge (PFC) revenues.

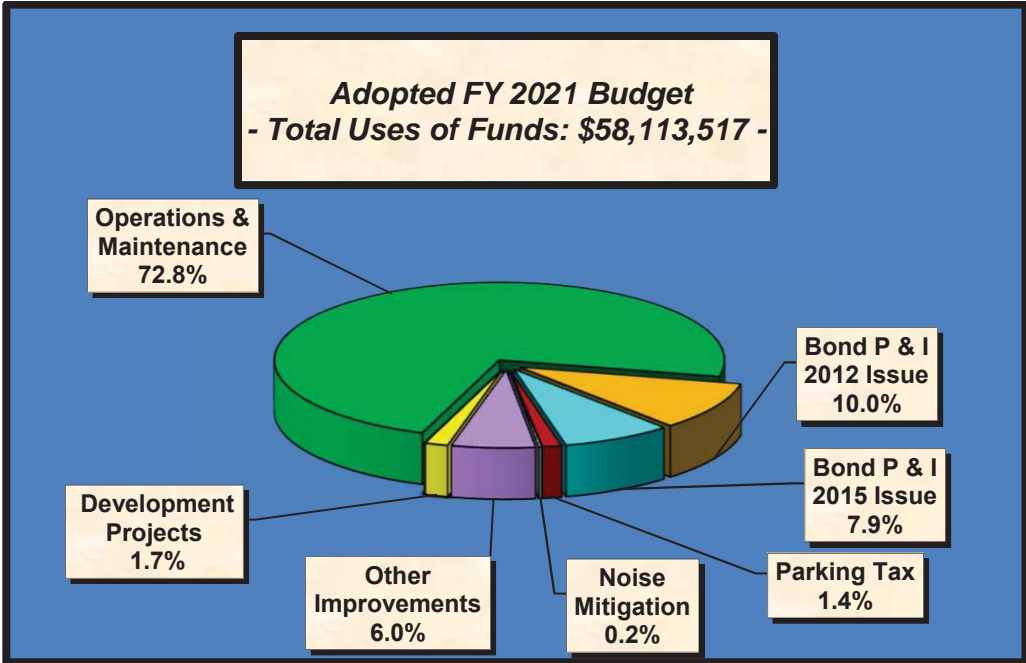
Appropriations in the amount of \$960,000 are included for the Replacement Passenger Terminal project but are only for the completion of the Environmental Impact Statement (\$900,000) with the remaining \$60,000 included to allow for limited continued consulting services while all other efforts for the project have been placed on hold.

As funding sources become available or financial recovery sufficiently occurs, other capital project expenditures could be evaluated and presented for consideration in the FY 2021 program at a future date. Additional detail regarding the FY 2021 adopted Capital program is included in the previous section (Section II) of this document.





<i>Sources of Funds: Summary</i>	
Parking	\$ 7,510,000
Rentals	15,290,000
Concessions	5,845,000
Landing Fees	1,658,000
Investment Income	3,250,000
Ground Transportation	1,030,000
Other Revenues	<u>575,000</u>
Total Operating Revenues	\$ 35,158,000
PFC Revenues / Reserves	463,953
Airport Improvement Program Grants	3,360,602
CARES Act Grant Funds	
Facility Improvements	635,445
Bond Principal & Interest (2012 Issue)	2,803,092
Bond Principal & Interest (2015 Issue)	4,564,250
Personnel Costs	8,097,213
Facility Development Reserves	-
CFC Fees: 2012 Bond Issue	2,000,000
Facility Rent - RAC	<u>1,030,962</u>
Total Adopted FY 2021 Funding Sources:	<u><u>\$ 58,113,517</u></u>



<i>Uses of Funds: Summary</i>	
Bond Principal & Interest (2012 Issue)	\$ 5,834,054
Bond Principal & Interest (2015 Issue)	4,564,250
Operations & Maintenance	42,340,563
Parking Tax	804,650
Sub-Total	<u>\$ 53,543,517</u>
Facility Improvement Program	
Noise Mitigation	\$ 125,000
Other Improvements	3,485,000
Development Projects	960,000
Sub-Total	<u>\$ 4,570,000</u>
Facility Development Fund Reimbursement	\$ -
Total Adopted FY 2021 Uses of Funds:	<u><u>\$ 58,113,517</u></u>